# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2641
ANSWERED ON:17.03.2017
Money Laundering
Kataria Shri Rattan Lal;Vanaroja Smt. R.

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has taken note of the cases of money laundering by converting huge sums of black money into white during the demonetisation period and if so, the details thereof;
(b) whether the fake companies /shell companies have played a significant role in such money laundering acts and if so, the details thereof;
(c) whether the Government has constituted a task force to rein in such companies and if so, the details thereof; and
(d) whether the Government proposes to examine the pattern of revenue streams of these companies to understand the nexus between such entities and the beneficiaries engaged in alleged money laundering and if so, the details thereof and action taken by the Government thereon?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (d) Enforcement Directorate has taken up investigation by registering 33 ECIRs under PMLA. Further, investigations are being carried out against a number of Shell/Fake companies. The details of such cases cannot be provided at this stage, since the disclosure of the same may not be in public interest as the same may hamper the on-going investigations.
Instances have come to the notice of Income-tax Department where shell companies were used for conversion of unaccounted cash into white money during the demonetisation period. The Government has constituted a 'Task Force on Shell Companies' in February, 2017 for tackling this menace in a comprehensive manner. The Task Force has been set up under the joint chairmanship of Revenue Secretary and Secretary, Ministry of Corporate Affairs. The other members of the Task Force are from Department of Financial Services, Central Board of Direct Taxes, Central Board of Excise & Customs, Central Bureau of Investigation, Enforcement Directorate, Serious Fraud Investigation Office and Financial Intelligence Unit. Further, disclosure of information in respect of specific persons is prohibited except as provided under section 138 of the Income-tax Act, 1961.